

# STARK INTRODUCES HEALTH-e INFORMATION TECHNOLOGY ACT

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Bill sets deadline for standards for HIT system developments, creates incentives for adoption, and includes strong rules for privacy protection.

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WASHINGTON, D.C. — Rep. Pete Stark (D-CA), Chairman of the House Ways and Means Health Subcommittee, today introduced the Health-e Information Technology Act of 2008. The bill requires the government to create clear standards for an interoperable Health IT system by a date certain, as well as the creation of an open source HIT system that will be made available at little or no cost to all providers. It also provides incentives to drive the adoption of standardized, interoperable Health IT systems, and includes strong, workable protections for the privacy of personal health information.

Rep. Stark stated, "If we want a uniform, interoperable health care system in America, time has shown us that we can't depend on the private sector to do it on their own. This is the perfect role for government. We should work with stakeholders to develop the standards, ensure an affordable product is available, and pay providers to adopt it. That's exactly what the Health-e Information Technology Act does."

Chip Kahn, President of the Federation of American Hospitals, stated, "FAH commends Chairman Pete Stark for his leadership with the introduction of the 'Health-e Information Technology Act of 2008.' Chairman Stark clearly recognizes that advancement of health information technology depends on establishing both a national framework for the interoperability of electronic health records for all Americans, and that startup funding for physicians and hospitals is the critical step to achieve broad adoption of health information technology.

"Americans can move from anticipating the promise of better health care through the support of the electronic health record and actually reaping the rewards of health information technology systems only upon our achieving true interoperability and sufficient diffusion among caregivers. Chairman Stark has a keen understanding of these relationships and the need for Congressional action to make them a reality. The FAH looks forward to working with Chairman Stark, other Members of the Ways and Means Committee, Members of the Energy and Commerce Committee and others in Congress to achieve this most important goal."

Rebecca J. Patchin, M.D., Chair-elect of the American Medical Association stated, "The AMA commends members of Congress, including Chairman Stark, for recognizing the importance of moving toward an interoperable, nationwide HIT infrastructure and for recognizing the crucial role the federal government plays in assisting the health care industry accelerate the adoption and implementation of HIT systems and tools."

Deven McGraw, Director of the Health Privacy Project for the Center for Democracy & Technology, stated, "The bill takes the right approach to addressing the critical privacy and security issues raised by electronic health records because it comprehensively addresses deficiencies in the existing HIPAA rules and includes provisions to account for the new entities that are handling sensitive personal health information but are not covered by HIPAA."

The Health-e IT Act would codify the Office of the National Coordinator for Health Information Technology (ONCHIT) within the Department of Health and Human Services, an office created by Executive Order in 2004. In coordination with an Advisory Committee representing private and public stakeholders, the National Coordinator would be responsible for creating standards to achieve widespread adoption of interoperable, secure, and clinically useful electronic health

records. The first generation of these standards would be finalized no later than October 2011. In addition, to ensure availability of an affordable system and increase choice and competition, the Office would coordinate the development of a certified open source health information technology system that meets the standards established by the Office. This system would be available to health care providers at low cost as soon as possible, but not later than nine months after the standards are set. Providers who choose to take advantage of the incentives would be able to choose from a variety of systems, including both private or proprietary options and the new system coordinated by ONCHIT.

The Health-e IT Act also provides financial incentives through Medicare to doctors and hospitals that adopt and use electronic medical records systems that are certified as meeting the new standards. Physicians who install and utilize an approved system would be eligible for incentive payments totaling up to approximately \$40,000 over five years, while hospitals that do the same would be eligible for incentive payments of up to several million dollars. These incentives phase out over a few years, at which point Medicare payments are reduced for those who do not use qualified systems. As some health care providers are not reimbursed by Medicare, grant programs are available to assure assistance to all providers.

The Health-e IT Act improves current privacy protections and follows the existing model created under HIPAA that establishes a strong federal floor of privacy and security law while not pre-empting state laws and regulations that are more protective. It establishes clear boundaries on permissible uses and disclosures of patient health information. Additionally, the bill holds entities accountable for safeguarding the privacy and security of health information, and develops a culture of privacy protection by encouraging tough enforcement. The bill also takes steps to safeguard the security of patient health information, ensure the exchange of as little health information as necessary, and expand the scope of protection to include paper records as well.

Rep. Stark added, "I look forward to working with colleagues on both sides of the aisle and all interested parties to move forward health IT legislation that will ensure the adoption of an interoperable health IT system in America by a date certain."

For a summary of the bill, and more information on the incentives and privacy protections in the bill, please visit Congressman Stark's legislation page.